

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6835

BILL NUMBER: HB 1385

DATE PREPARED: Jan 6, 2002

BILL AMENDED:

SUBJECT: Passenger Vehicle License Plates.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that if an individual who owns or leases a passenger motor vehicle registers the vehicle in a county other than the county in which the individual resides, the Bureau of Motor Vehicles (BMV) is required to issue a license plate that does not display a numeral indicating the county in which the vehicle is registered.

Effective Date: July 1, 2002.

Explanation of State Expenditures: *Fiscal Impact:* For the Bureau of Motor Vehicles (BMV), there would be cost savings in not requiring every license branch to store license plates from every other county. This proposal would reduce the number of license plates destroyed after a plate cycle (currently five years). The cost to manufacture a license plate is \$2.60 per plate. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Background Information:

In a presentation before the Interim Study Committee on Bureau of Motor Vehicles Issues, the BMV stated that the number of license plates remaining at the end of a plate cycle could be reduced by over 112,000 plates if the county identifier were removed from all plates. This bill would eliminate the county identifier for those plates where the vehicle was registered in a county other than the county of the person's residence. The cost to manufacture a license plate is \$2.60 per plate. Costs could be reduced due to the ability to share plates among all license branches throughout the state. The BMV would be able to store a minimum number of license plates that could be utilized at any license branch throughout the state. This would eliminate the likelihood of any license branch having a shortage of plates due to problems with production or a miscalculation in supply orders.

Effective January 1, 2002, a person may register a vehicle in any county, regardless of county of residence. However, because of the current requirement that a person who registers a vehicle in a county other than their

county of residence must receive a plate with their county or residence numeric identifier, if the BMV license branch does not have a plate for that particular county in stock, a temporary plate will be issued until a new plate can be mailed. The customer does not incur any additional costs. Temporary plates cost the BMV \$.47 and the mailing cost for one plate paid by the BMV is \$1.26. The fund affected is the Motor Vehicle Highway Account which supports the BMV.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Melanie Schwartz, Deputy Commissioner of the BMV, 232-1218; Gary Gibson, Commissioner of the BMV, in testimony before the Interim Study Committee on Bureau of Motor Vehicles Issues.